

**WYOMING
PUBLIC SCHOOLS
Kent County, Michigan**

Comprehensive Annual Financial Report

For the year ended June 30, 2005

WYOMING PUBLIC SCHOOLS
Table of Contents

For the year ended June 30, 2005

Financial Section

<i>Independent Auditor's Report</i>	<i>1</i>
<i>Management's Discussion and Analysis</i>	<i>3</i>
<i>Basic Financial Statements</i>	<i>11</i>
District-wide Financial Statements:	
Statement of Net Assets.....	12
Statement of Activities	13
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	14
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balances	16
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General Fund	18
Fiduciary Fund:	
Statement of Fiduciary Assets and Liabilities	19
Notes to Basic Financial Statements	20
<i>Supplemental Information</i>	
Combining and Individual Fund Statements and Schedules:	
General Fund	36
Comparative Balance Sheet	37
Comparative Schedule of Revenues	38
Comparative Schedule of Expenditures	40

WYOMING PUBLIC SCHOOLS
Table of Contents

For the year ended June 30, 2005

Nonmajor Governmental Funds	45
Combining Balance Sheet.....	46
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances.....	48
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Food Service Special Revenue Fund.....	50
Athletics Special Revenue Fund.....	51
Enrichment Special Revenue Fund	52
Special Revenue Funds.....	53
Food Service Special Revenue Fund:	
Comparative Balance Sheet.....	54
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances	55
Athletics Special Revenue Fund:	
Comparative Balance Sheet.....	57
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances	58
Enrichment Special Revenue Fund:	
Comparative Balance Sheet.....	59
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances	60
Debt Service Funds.....	61
Combining Balance Sheet.....	62
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances.....	64
Capital Projects Fund.....	66
Building and Site Fund:	
Comparative Balance Sheet.....	67
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances	68
Agency Fund.....	69
Student Activities Agency Fund:	
Statement of Changes in Assets and Liabilities	70
Other Information:	
Summary of 2004 Taxes Levied and Collected.....	72

Federal Financial Assistance Programs Supplemental Information Issued Under Separate Cover

FINANCIAL SECTION

Hungerford, Aldrin,
Nichols & Carter, P.C.

CPAs AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

August 19, 2005

The Board of Education
Wyoming Public Schools

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of Wyoming Public Schools (the "District") as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's elected officials and management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the major fund and the aggregate remaining fund information of Wyoming Public Schools as of June 30, 2005, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 19, 2005 on our consideration of Wyoming Public Schools' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Wyoming Public Schools. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Hungerford, Alden, Nichols & Carter, P.C.

Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

WYOMING PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2005

As management of the Wyoming Public Schools ("the District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of three parts: Management's Discussion and Analysis (this section), the Basic Financial Statements and Supplemental Information. The Basic Financial Statements include two kinds of statements that present different views of the District.

- The first two statements, the Statement of Net Assets and the Statement of Activities, are *district-wide financial statements* that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
 - ♦ *Governmental funds statements* tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
 - ♦ *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The Basic Financial Statements also include Notes to Basic Financial Statements that explain the information in the Basic Financial Statements and provide more detailed data. Supplemental Information follows and includes combining and individual fund statements.

District-wide Statements

The district-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two district-wide statements report the District's net assets, and how they have changed. Net assets - the difference between the District's assets and liabilities - is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, one should consider additional non-financial factors such as changes in the District's property tax-base, economic factors that might influence state aid revenue, and the condition of school buildings and other facilities.

WYOMING PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2005

In the district-wide financial statements, the District's activities are presented as follows:

- *Governmental activities:* The District's basic services are included here, such as regular and special education, instructional support, transportation, administration, community services, food service and athletics. State aid and property taxes finance most of these activities.

Condensed District-Wide Financial Information

The Statement of Net Assets provides financial information on the District as a whole.

	<u>2005</u>	<u>2004</u>
Assets		
Current assets	\$ 12,757,649	\$ 12,559,673
Noncurrent assets	<u>49,544,202</u>	<u>51,569,797</u>
Total Assets	<u>62,301,851</u>	<u>64,129,470</u>
Liabilities		
Current liabilities	9,406,492	9,417,462
Long-term liabilities	<u>45,289,844</u>	<u>48,449,470</u>
Total Liabilities	<u>54,696,336</u>	<u>57,866,932</u>
Net Assets		
Invested in capital assets, net of related debt	3,031,710	3,660,553
Restricted	1,511,197	287,259
Unrestricted	<u>3,062,608</u>	<u>2,599,460</u>
Total Net Assets	<u>\$ 7,605,515</u>	<u>\$ 6,262,538</u>

The results of the fiscal year's operations for the District as a whole are presented in the Statement of Activities, which shows the change in total net assets for the year.

WYOMING PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2005

The Statement of Activities presents changes in net assets from operating results:

	2005	2004
Program Revenues		
Charges for services	\$ 1,344,686	\$ 1,320,908
Operating grants	9,513,394	7,793,296
General Revenues		
Property taxes	11,652,466	11,527,987
State school aid, unrestricted	32,051,129	31,683,630
Interest earnings	184,456	104,687
Loss on disposition of capital assets	(155,808)	—
Other	505,876	712,082
Total Revenues	55,096,199	53,142,890
Expenses		
Instruction	34,299,963	32,755,618
Supporting services	14,620,468	16,320,217
Community services	63,060	32,385
Food service	1,981,640	1,923,262
Athletics	1,108,197	1,034,525
Other	29,167	6,839
Interest on long-term debt	1,650,726	2,447,916
Total Expenses	53,753,222	54,520,762
Increase (decrease) in net assets	1,342,977	(1,377,872)
Net Assets - Beginning of Year	6,262,538	7,640,410
Net Assets - End of Year	\$ 7,605,515	\$ 6,262,538

Financial Analysis of the District as a Whole

The District's financial position is the product of many factors. Revenue growth for the year ended June 30, 2005 was regressive. The general revenues are controlled by the State of Michigan. The majority of the District's revenue comes from the foundation allowance as determined by the legislature. Local property taxes received for operating purposes generate from non-homestead property. Any such taxes received only reduce the amount that the State pays for the foundation allowance. Property taxes received for debt service are paid by homestead and non-homestead property owners. The amount received for the foundation grant is not affected by debt service taxes received.

For the year ended June 30, 2005, the foundation allowance was set by the legislature to be at a minimum of \$6,700 per pupil for the third consecutive year.

WYOMING PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2005

In addition, our enrollment decreased from 5,732 (full-time equivalent) to 5,690 for the current year. That decrease of 42 students resulted in \$211,050 less in revenue compared to the previous year. The combination of state aid and a declining student population are causing increasing pressure on resources used to provide expected quality educational services.

Growth in expenditures for the current year was primarily due to increases in the cost of labor. For the year ended June 30, 2005, the District was in the last year of the three year contracts with the teachers and support staff unions. Including steps, the contractual increases were in the range of 3% to 4%. In addition, health insurance costs increased about 17-18%, depending on the coverage. The cost of the employer contribution to the Michigan Public School Employees Retirement System (MPERS) increased to 14.87%. Subsequent increases in MPERS (FY 2005-06) will see an increase of 1.47 basis points up to 16.34%, which will cause increased pressure on the District's fund balance.

For the year ended June 30, 2005, the district-wide increase in net assets was \$1,342,977 compared to a decrease of \$1,377,872 in the previous year. There are several factors that explain the positive variance. On the revenue side, the District has experienced an increase in Federal revenue from a variety of grant sources amounting to an additional \$666,155 compared to FY2003-04. In addition, the interdistrict revenue increased \$936,057 which consists of local special education and transportation funding. On the expense side, the District is continuing cost-containment in operations coupled with a 1997 bonded indebtedness refinancing. The combination of additional revenue and reduced expenses provides the majority of the positive net asset changes.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

The District utilizes two kinds of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed, short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information following the governmental funds' statements explain the relationship (or differences) between them.
- *Fiduciary funds:* The District is the trustee, or fiduciary, for assets that belong to others, such as Student Activities Funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

WYOMING PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2005

Financial Analysis of the District's Funds

The District uses funds to record and analyze financial information. Wyoming Public School's funds are described as follows:

Major Fund

General Fund

The General Fund is the primary operating fund. The General Fund had total revenues of \$48,713,606, total expenditures of \$47,690,751, and total other financing uses of \$825,730. It ended the fiscal year with a total fund balance of \$5,219,038, up from \$5,021,913 as of June 30, 2004. A commonly used term in school business is the ratio of *unrestricted* fund balance divided by total expenditures; this term is called the "percentage of fund balance". Wyoming Public Schools "percentage of fund balance" for this year ending June 30, 2005 is 10.9%.

Nonmajor Funds

Special Revenue Funds

The District operates three Special Revenue Funds, for the food service, athletics, and community enrichment programs. Total revenues and other financing sources of the Food Service Fund were \$1,989,583, with total expenditures of \$1,957,571. Ending fund balances totaled \$214,217.

Total revenues for the Athletic Fund were \$177,318, with total expenditures of \$1,009,816 and ending fund balance totaling \$69,858. Again in fiscal year 2004-05, the District is relying on booster groups and other fund raisers to help offset the costs of athletics. By relying on booster groups, the General Fund transfer was \$800,000, approximately the same as it has been the previous three years.

Total revenues for the Enrichment Fund were \$29,164, with expenditures of \$26,734. The ending fund balance totaled \$31,145. The Enrichment Fund revenues and expenditures remained at approximately the same levels as the previous year.

Debt Service Funds

The District operates three Debt Service Funds. Total revenues were \$4,291,832 and total expenditures were \$3,759,734. 1997 bonds were refunded to save future interest costs. The ending fund balances in the Debt Service Funds were \$846,337.

Building and Site Fund

The District sold the former Horizon's High School building during the fiscal year for \$1,000,000 with a down payment of \$150,000 and the balance on a land contract. The proceeds are set aside to be used for future District capital outlay.

Fiduciary Funds

The Student Activity Fund is operated as an Agency Fund of the District. The assets of this funds are being held for the benefit of the District's students. Balances on hand at June 30, 2005 totaled \$381,311.

WYOMING PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2005

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times to comply with Michigan Department of Education guidelines. These budget amendments fall into the following categories:

- Changes made in November to account for the final student enrollment that determines how much foundation grant state school aid will be received during the fiscal year. At that time staffing budgets are also adjusted to reflect the actual enrollment and class size needs.
- Changes made throughout the year to reflect changes in grant funding and other needs, such as utilities.
- Final changes made in June for increases in appropriations to prevent budget overruns and decreases to reflect changes in estimates.

Although the District's final budget revision for the General Fund anticipated that expenditures would exceed revenues by \$321,367, the actual results for the year show an \$197,125 excess of revenues. The difference of \$518,492 is one percent of total expenditures of \$47,690,751.

- The District General Fund, due to conservative estimates in areas such as salaries, utilities and repairs, reflected excess revenues over expenditures of \$197,125 for the year ended June 30, 2005. In addition, due to the budget concerns, the budget control officers were encouraged to not expend their budgets wherever possible. There is discussion within the District to procedurally close all unnecessary purchases earlier than May this year.

Capital Asset and Debt Administration

Capital Assets

By the end of fiscal year 2005, the District had invested \$79.6 million as the original cost in a broad range of capital assets, including land, school buildings, athletic facilities, computer equipment and software, and administrative offices. The book value of these assets, net of accumulated depreciation, was \$48.8 million as of June 30, 2005. (More detailed information about capital assets can be found in Note E in the Notes to Basic Financial Statements.) Total depreciation expense for the year approximated \$1.8 million.

The District sold the former Horizon's property for a net gain of \$69,763 and six buses resulting in a gain on book value of \$5,995. The Jackson Park pool and the Southwest building were also disposed of during the year.

The District is not planning any major capital projects during the 2005-06 fiscal year.

The District investment in capital assets (net of accumulated depreciation) is detailed as follows:

Land	\$ 509,246
Land improvements	491,381
Buildings and additions	47,137,166
Furniture and equipment	454,137
Vehicles	<u>187,272</u>
Net Capital Assets	<u><u>\$ 48,779,202</u></u>

WYOMING PUBLIC SCHOOLS
Management's Discussion and Analysis
June 30, 2005

Long-Term Debt

At year end, the District had \$48.7 million in general obligation bonds and other long-term debt outstanding – a net reduction of \$2.5 million from last year.

- The District continued to pay down its debt, retiring \$1.8 million of outstanding bonds, loans and leases.
- The District advance refunded \$28,565,000 of the 1997 bond issue, resulting in a present value savings to District taxpayers of \$1,372,531 in future interest costs.

The District's bond rating for General Obligation, Unlimited Tax debt remains "Aa3". The State limits the amount of general obligation debt that school districts can issue to 15 percent of the assessed value of all taxable property within a district's boundaries. The District's other obligations include compensated absences and capital leases. We present more detailed information about our long-term liabilities in the Notes to Basic Financial Statements.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The end of fiscal year 2005 marked the expiration of the last three-year contracts with the teachers and support staff unions. The District recently concluded negotiations with all labor groups resulting in a new three year contract. The contract will provide stable relations for District operations.
- The health insurance coverage the District provides eligible employees has seen a second year of double-digit increases. The District has implemented for "non-union" employee groups the recently approved *West Michigan Health Insurance Plan*. This health insurance provides a reduction of costs equating to an approximate savings of 9% for those covered.
- The State of Michigan continues to struggle with decreased revenues. Strong "grassroots" pressure on Michigan legislature has allowed an increase in the foundation grant of \$175 per pupil. The foundation grant for fiscal year 2005-06 is increasing to \$6,875; the first increase in three years.
- Energy costs for the District are causing increasing pressure on the operational costs of heating, electric and diesel transportation of students. To offset the costs, the District is "reducing the use" and employing several cost reduction measures in response.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Marc R. Faber, Director of Finance, Wyoming Public Schools, 3575 Gladiola, S.W., Wyoming, MI 49519. Or, you may contact using e-mail at FaberM@wyoming.k12.mi.us.

BASIC FINANCIAL STATEMENTS

WYOMING PUBLIC SCHOOLS
Statement of Net Assets
June 30, 2005

	Governmental Activities
Assets	
Current Assets	
Cash equivalents (Note B)	\$ 3,677,083
Deposits (Note B)	600,000
Investments (Note B)	203,994
Taxes receivable (Note C)	428,996
Accounts receivable	125,750
Accrued interest receivable	4,392
Due from other governmental units (Note C)	7,364,605
Inventory (Note A)	98,823
Prepaid expenses	254,006
Total Current Assets	<u>12,757,649</u>
Noncurrent Assets	
Land contract receivable, net of current maturities	765,000
Capital assets (Note E)	79,633,429
Less accumulated depreciation	(30,854,227)
Net Capital Assets	<u>48,779,202</u>
Total Noncurrent Assets	<u>49,544,202</u>
Total Assets	<u>62,301,851</u>
Liabilities	
Current Liabilities	
Accounts payable	1,064,337
Due to other governmental units	1,481,956
Payroll withholdings payable	2,784
Accrued interest payable	392,822
Salaries payable	2,870,838
Deferred revenue	267,189
Current portion of long term obligations	3,411,566
Total Current Liabilities	<u>9,491,492</u>
Noncurrent Liabilities (Notes A, F)	
General obligation bonds payable	42,230,000
Durant nonplaintiff bonds payable	1,036,274
Installment purchase agreements payable	31,000
Capital leases payable	41,500
Early retirement incentive	971,180
Accumulated sick leave	979,890
Total Noncurrent Liabilities	<u>45,289,844</u>
Total Liabilities	<u>54,781,336</u>
Net Assets	
Invested in capital assets, net of related debt	3,031,710
Restricted for:	
Debt service	544,114
Capital outlay	967,083
Unrestricted	3,062,608
Total Net Assets	<u><u>\$ 7,605,515</u></u>

See accompanying notes to basic financial statements.

WYOMING PUBLIC SCHOOLS
Statement of Activities
For the year ended June 30, 2005

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes In Net Assets
		Charges for Services	Operating Grants	
Governmental Activities				
Instruction	\$ 31,767,764	\$ 105,324	\$ 7,671,114	\$(23,991,326)
Supporting services	17,152,667	261,579	649,728	(16,241,360)
Community services	63,060	29,164	-	(33,896)
Food service	1,981,640	771,301	1,192,552	(17,787)
Athletics	1,108,197	177,318	-	(930,879)
Other	29,167	-	-	(29,167)
Interest expense	1,650,726	-	-	(1,650,726)
Total Governmental Activities	<u>\$ 53,753,222</u>	<u>\$ 1,344,686</u>	<u>\$ 9,513,394</u>	<u>(42,895,142)</u>
General Revenues				
Taxes:				
Property taxes, levied for general operations				7,393,332
Property taxes, levied for debt service				4,259,134
State school aid, unrestricted				32,051,129
Interest and investment earnings				184,456
Loss on sale of capital assets				(155,808)
Other				505,876
Total General Revenues				<u>44,238,119</u>
Change in Net Assets				1,342,977
Net Assets - Beginning of Year				<u>6,262,538</u>
Net Assets - End of Year				<u>\$ 7,605,515</u>

See accompanying notes to basic financial statements.

WYOMING PUBLIC SCHOOLS
Balance Sheet
Governmental Funds
June 30, 2005

	<u>General</u>	<u>Nonmajor</u>	<u>Total</u>
Assets			
Cash equivalents (Note B)	\$ 3,216,935	\$ 460,148	\$ 3,677,083
Deposits (Note B)	-	600,000	600,000
Investments (Note B)	-	203,994	203,994
Taxes receivable (Note C)	339,420	89,576	428,996
Accounts receivable	40,750	-	40,750
Accrued interest receivable	-	4,392	4,392
Due from other funds (Note D)	-	12,824	12,824
Due from other governmental units (Note C)	7,336,288	28,317	7,364,605
Inventory (Note A)	83,305	15,518	98,823
Prepaid expenditures	110,135	-	110,135
Land contract receivable	-	850,000	850,000
Total Assets	<u><u>\$ 11,126,833</u></u>	<u><u>\$ 2,264,769</u></u>	<u><u>\$ 13,391,602</u></u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 1,033,739	\$ 30,598	\$ 1,064,337
Due to other funds (Note D)	12,824	-	12,824
Due to other governmental units	1,479,169	2,787	1,481,956
Payroll withholdings payable	2,784	-	2,784
Salaries payable	2,857,670	13,168	2,870,838
Deferred revenue	521,609	939,576	1,461,185
Total Liabilities	<u>5,907,795</u>	<u>986,129</u>	<u>6,893,924</u>
Fund Balances			
Reserved for:			
Debt service	-	846,337	846,337
Capital outlay	-	117,083	117,083
Unreserved:			
Undesignated, reported in:			
General fund	5,219,038	-	5,219,038
Special revenue funds	-	315,220	315,220
Total Fund Balances	<u>5,219,038</u>	<u>1,278,640</u>	<u>6,497,678</u>
Total Liabilities and Fund Balances	<u><u>\$ 11,126,833</u></u>	<u><u>\$ 2,264,769</u></u>	<u><u>\$ 13,391,602</u></u>

See accompanying notes to basic financial statements.

WYOMING PUBLIC SCHOOLS
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2005

Total governmental fund balances		\$ 6,497,678
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$79,633,429 and accumulated depreciation is \$30,854,227.		
		48,779,202
Net bond premium and refunding, discount and issuance costs are not expensed but are amortized over the life of the new bond issue.		
		143,871
The land contract receivable generated from the sale of property is recognized as revenue on the Statement of Activities in the year of sale.		
		850,000
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	\$(44,620,000)	
Durant non-plaintiff bonds	(1,121,224)	
Installment purchase agreements	(62,000)	
Capital leases	(87,116)	
Early retirement incentive	(1,581,180)	
Accumulated sick leave	(1,229,890)	
	<u>(48,701,410)</u>	
Accrued interest is not included as a liability in governmental funds.		
		(392,822)
Deferred revenue recognized as revenue in the full accrual statements:		
Property taxes		<u>428,996</u>
Total net assets - governmental activities		<u><u>\$ 7,605,515</u></u>

See accompanying notes to basic financial statements.

WYOMING PUBLIC SCHOOLS
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2005

	General	Nonmajor	Total
Revenues			
Local sources	\$ 8,341,635	\$ 5,386,698	\$ 13,728,333
State sources	33,655,403	103,540	33,758,943
Federal sources	2,971,033	1,089,012	4,060,045
Interdistrict sources	3,745,535	-	3,745,535
Total Revenues	48,713,606	6,579,250	55,292,856
Expenditures			
Current:			
Instruction	29,548,692	-	29,548,692
Supporting services	14,556,633	-	14,556,633
Community services	33,647	26,734	60,381
Food service	-	1,923,129	1,923,129
Athletics	-	1,009,816	1,009,816
Capital outlay	27,888	-	27,888
Debt service:			
Principal repayment	-	1,831,000	1,831,000
Interest and fiscal charges	-	1,653,424	1,653,424
Bond issuance costs	-	176,677	176,677
Underwriter's discount	-	133,475	133,475
Interdistrict	3,326,114	-	3,326,114
Sub-grantee reimbursements	197,777	-	197,777
Total Expenditures	47,690,751	6,754,255	54,445,006
Excess (Deficiency) of Revenues Over Expenditures	1,022,855	(175,005)	847,850
Other Financing Sources (Uses)			
Refunding bonds issued	-	28,100,000	28,100,000
Bond premium	-	1,879,435	1,879,435
Transfers in	-	825,730	825,730
Other	-	4,507	4,507
Payments to escrow agent	-	(30,168,653)	(30,168,653)
Transfers out	(825,730)	-	(825,730)
Total Other Financing Sources (Uses)	(825,730)	641,019	(184,711)
Net Change In Fund Balances	197,125	466,014	663,139
Fund Balances, Beginning of Year	5,021,913	812,626	5,834,539
Fund Balances, End of Year	\$ 5,219,038	\$ 1,278,640	\$ 6,497,678

See accompanying notes to basic financial statements.

WYOMING PUBLIC SCHOOLS
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2005

Net change in fund balances - total governmental funds \$ 663,139

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized and the cost is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:

Capital outlays	\$ 214,172	
Depreciation expense	<u>(1,813,557)</u>	(1,599,385)

As some delinquent personal property taxes will not be collected for several years after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead counted as deferred tax revenues. They are, however, recorded as revenues in the Statement of Activities. 110,779

Proceeds from the sale of bonds or loans are an other financing source in the governmental funds, but increase long-term liabilities in the Statement of Net Assets (28,209,152)

Net bond premium and refunding, discount and issuance costs are amortized over the life of the new bond issue on the Statement of Activities. (41,135)

In the Statement of Activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale(s) increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the assets sold. (272,470)

Repayment of principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities:

Repayment of bonds	30,365,000	
Repayment of installment purchase agreements	31,000	
Repayment of capital leases	<u>116,017</u>	30,512,017

Interest on long-term liabilities in the Statement of Activities differs from the amount reported on the governmental funds because interest is recorded as an expenditure in the funds when it is due and paid, and thus requires the use of current financial resources. In the Statement of Activities however, interest expense is recognized as the interest accrues regardless of when it is paid. 2,698

In the Statement of Net Assets, accumulated sick leave is measured by the amounts earned during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). This year the amount of these benefits used/paid (\$1,055,992) exceeded the amounts earned (\$879,505). 176,487

Total changes in net assets - governmental activities \$ 1,342,977

See accompanying notes to basic financial statements.

WYOMING PUBLIC SCHOOLS
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2005

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Local sources	\$ 8,221,615	\$ 8,546,784	\$ 8,341,635	\$ (205,149)
State sources	33,595,101	33,651,515	33,655,403	3,888
Federal sources	2,227,185	3,139,151	2,971,033	(168,118)
Interdistrict sources	3,870,611	3,912,089	3,745,535	(166,554)
Total Revenues	<u>47,914,512</u>	<u>49,249,539</u>	<u>48,713,606</u>	<u>(535,933)</u>
Expenditures				
Current:				
Instruction:				
Basic programs	23,544,826	23,178,082	23,100,667	77,415
Added needs	6,631,508	6,303,861	6,071,176	232,685
Adult education services	348,278	447,474	376,849	70,625
Supporting services:				
Pupil services	2,638,975	1,733,928	1,666,180	67,748
Instructional staff services	2,610,231	2,712,786	2,636,265	76,521
General administrative services	842,735	953,206	852,807	100,399
School administrative services	2,481,639	2,630,116	2,625,760	4,356
Business services	748,847	842,725	824,228	18,497
Operation and maintenance services	3,920,716	3,907,477	3,841,890	65,587
Pupil transportation services	1,235,917	1,284,524	1,294,648	(10,124)
Central services	745,100	831,481	814,855	16,626
Other supporting services	153,461	23,588	-	23,588
Community services	7,535	34,453	33,647	806
Capital outlay	-	27,888	27,888	-
Interdistrict	1,787,479	3,753,897	3,326,114	427,783
Sub-grantee reimbursements	-	-	197,777	(197,777)
Total Expenditures	<u>47,697,247</u>	<u>48,665,486</u>	<u>47,690,751</u>	<u>974,735</u>
Excess Of Revenues Over Expenditures	<u>217,265</u>	<u>584,053</u>	<u>1,022,855</u>	<u>438,802</u>
Other Financing Sources (Uses)				
Transfers out	(999,496)	(904,920)	(825,730)	79,190
Other	-	(500)	-	500
Total Other Financing Sources (Uses)	<u>(999,496)</u>	<u>(905,420)</u>	<u>(825,730)</u>	<u>79,690</u>
Net Change In Fund Balances	<u>(782,231)</u>	<u>(321,367)</u>	<u>197,125</u>	<u>518,492</u>
Fund Balances, July 1	<u>5,021,913</u>	<u>5,021,913</u>	<u>5,021,913</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 4,239,682</u>	<u>\$ 4,700,546</u>	<u>\$ 5,219,038</u>	<u>\$ 518,492</u>

See accompanying notes to basic financial statements.

WYOMING PUBLIC SCHOOLS
Fiduciary Fund
Statement of Fiduciary Assets and Liabilities
June 30, 2005

Assets

Cash equivalents (Note B)	<u>\$ 381,311</u>
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Liabilities

Due to student groups	<u>\$ 381,311</u>
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See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2005

Note A – Summary of Significant Accounting Policies

Wyoming Public Schools was organized under the School Code of the State of Michigan and services a population of approximately 5,686 students. The District is governed by an elected Board of Education consisting of seven members and administered by a Superintendent who is appointed by the aforementioned Board. The District provides a comprehensive range of educational services as specified by state statute and Board of Education policy. These services include elementary education, secondary education, preschool programs, athletic activities, special education, vocational education, community services and general administrative services. The Board of Education also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The financial statements of Wyoming Public Schools (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to school districts. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District’s accounting policies are described below.

1. Reporting Entity

The financial reporting entity consists of a primary government and its component units. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District’s financial statements include the funds of those organizational entities for which its elected governing board is financially accountable.

2. District-Wide and Fund Financial Statements

District-Wide Financial Statements - The district-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. The District does not allocate indirect costs and, for the most part, the effect of interfund activity has been removed. These statements are to distinguish between the *governmental* and *business-type activities* of the District. *Governmental activities* normally are supported by taxes and intergovernmental revenues, and are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

The Statement of Net Assets is presented on the classified basis and is reported on the full accrual, economic resource basis, which recognizes all long-term assets as well as all long-term debt and obligations. The District’s net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets, and unrestricted net assets.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes, unrestricted state aid, interest earnings and other items not included among program revenues are reported instead as *general revenues*.

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2005

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The General Fund is the District's only major fund. Non-major funds are aggregated and presented in a single column.

Fund Financial Statements – Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Fund level statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. The Balance Sheet reports current assets, current liabilities and fund balances. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources and uses of current financial resources. This differs from the economic resources measurement focus used to report at the district-wide level. Reconciliations between the two sets of statements are provided in separate statements.

Revenues are recognized when susceptible to accrual; i.e., both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures are generally recorded when the liability is incurred, if they are paid within 60 days after the end of the current fiscal period. The exception to this general rule is that principal and interest on long-term debt is recognized when due.

Revenues susceptible to accrual are property taxes, state aid, federal and interdistrict revenues and investment income. Other revenues are recognized when received. Deferred revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenue also arises when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of the qualifying expenditures.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

District-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met.

The State of Michigan utilizes a foundation allowance approach, which provides for a specific annual amount of revenue per student based on a state-wide formula. The foundation allowance is funded from a combination of state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The State portion of the foundation is provided from the State's School Aid Fund and is recognized as revenues in accordance with state law and accounting principles generally accepted in the United States of America.

Governmental Funds

Governmental funds are those funds through which most school district functions typically are financed. The acquisition, use and balances of a school district's expendable financial resources and the related current liabilities are accounted for through governmental funds.

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2005

General Fund—The General Fund is the general operating fund of a school district. It is used to account for all financial resources, except those required to be accounted for in another fund. Included are all transactions related to the current operating budget.

Special Revenue Funds—Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

School Service Funds—School Service Funds are used to segregate, for administrative purposes, the transactions of a particular activity from regular revenue and expenditure accounts. A school district maintains full control of these funds. The School Service Funds maintained by the District are the Food Service, Athletics and Enrichment Funds.

Debt Service Funds—Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt (bonds, notes, loans, leases and school bond loan) principal, interest, and related costs.

Capital Projects Funds—Capital Projects Funds are used to record bond proceeds, property tax revenues or other revenues and the disbursement of monies specifically designated for acquiring new school sites, buildings, equipment and for major remodeling and repairs. The funds are retained until the purpose for which the funds were created has been accomplished.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by a school district in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Fiduciary Fund net assets and results of operations are not included in the district-wide financial statements. Fiduciary funds are reported using the economic resources measurement focus.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District presently maintains a Student Activities Fund to record the transactions of student groups for school and school related purposes. The funds are segregated and held in trust for the students.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the district-wide and fiduciary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

4. Budgets and Budgetary Accounting

State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act) requires that the General Fund of a school district be under budgetary control and that both budgeted and actual financial results do not incur a deficit. Wyoming Public Schools has also adopted budgets for its Special Revenue Funds. A school district's General Appropriations Resolution (the "budget") must be adopted before the beginning of each fiscal year. No violations (dollar deviations) from a district's budget may occur without a corresponding amendment to the budget. A school district has the ability to amend the budget provided that the amendment is prior to the occurrence of the deviation and prior to the fiscal year-end. A school district may also permit the chief adminis-

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2005

trative or fiscal officer to execute transfers between line items, within defined dollar or percentage limits, without prior approval of the Board of Education. Expenditures may not legally exceed budgeted appropriations at the fund level. All appropriations lapse at the end of the fiscal year.

Wyoming Public Schools utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- Starting in the spring, District administrative personnel and department heads work with the Superintendent and the Business Manager to establish proposed operating budgets for the fiscal year commencing the following July 1.
- In June, preliminary operating budgets are submitted to the Board of Education. These budgets include proposed expenditures and the means of financing them.
- Prior to June 30, a public hearing is held to obtain taxpayer comments on the proposed budgets.
- After the budgets are finalized, the Board of Education adopts an appropriations resolution setting forth the amount of the proposed expenditures and the sources of revenue to finance them.
- The original General and Special Revenue Funds budgets were amended during the year in compliance with State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act).
- Budgets for the General and Special Revenue Funds were adopted on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

5. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budget integration in the governmental funds. There were no substantial encumbrances outstanding at year end.

6. Investments

Investments are recorded at fair value, based on quoted market prices, or estimated fair value. Investment income is composed of interest and net changes in the fair value of applicable investments.

7. Inventory

Inventories are valued at cost (first-in, first-out). Inventories of the General Fund consist of teaching and custodial supplies. Inventories of the Food Service Fund consist of food, unused commodities and other nonperishable supplies. Disbursements for inventory-type items are recorded as expenditures at the time of use for each fund.

8. Capital Assets

Capital assets, which include land, land improvements, buildings, vehicles and furniture and equipment, are reported in the district-wide financial statements. Assets having a useful life in excess of one year and whose costs exceed \$5,000 are capitalized. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are stated at estimated fair market value at the date of donation.

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2005

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's useful life are not capitalized. Improvements are capitalized and depreciated over the remaining useful life of the related assets.

Land improvements, buildings and additions, vehicles and furniture and equipment are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	10-20 years
Buildings and additions	40-50 years
Vehicles	5-10 years
Furniture and equipment	3-10 years

9. Long-Term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported at the total amount of bonds issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

10. Early Retirement Incentive/Accumulated Sick Leave

Early retirement incentive and accumulated sick leave at June 30, 2005 has been computed and recorded in the basic financial statements of the District. Eligible District employees who select early retirement are entitled to a termination leave payment based on their age and years of service. Employees who leave the District are also entitled to reimbursement for a portion of their unused sick days. At June 30, 2005, the accumulated liabilities, including salary related payments, (expected to be financed by General Fund revenues) for early retirement incentive and accumulated sick leave amounted to \$1,581,180 and \$1,229,890, respectively.

11. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for expenditures or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

12. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses.

13. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2005

Note B – Cash Equivalents, Deposits and Investments

The State of Michigan allows a political subdivision to authorize its Treasurer or other chief fiscal officer to invest surplus funds belonging to and under the control of the entity as follows:

- Bonds, securities, and other obligations of the United States, or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this state under the laws of this state or the United States.
- Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of the purchase.
- United States or federal obligation repurchase agreements.
- Banker's acceptances of United States Banks.
- Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.
- Surplus funds investment pools.

Depositories actively used by the District during the year are detailed as follows:

1. Byron Bank
2. Fifth Third Bank
3. Huntington National Bank
4. National City Bank
5. Flagstar Bank

Balances at June 30, 2005 related to cash equivalents and deposits are detailed in the Basic Financial Statements as follows:

Governmental Funds	\$ 4,277,083
Fiduciary Funds	381,311
	<hr/>
	\$ 4,658,394
	<hr/>

Cash equivalents consist of bank public funds checking accounts. Deposits consist of certificates of deposit.

June 30, 2005 balances are detailed as follows:

Cash equivalents	\$ 4,058,394
Deposits	600,000
	<hr/>
	\$ 4,658,394
	<hr/>

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2005

Custodial credit risk

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to the District. Protection of District cash equivalents and deposits is provided by the Federal Deposit Insurance Corporation. At year end, the carrying amount of the District's cash equivalents and deposits was \$4,658,394 and the bank balance was \$5,474,895. Of the bank balance, \$400,000 was covered by federal depository insurance and \$5,074,895 was uninsured.

Investments

As of June 30, 2005 the District had the following investments:

	<u>Fair Value</u>
Investment Pool Accounts:	
Flagstar Bank	<u>\$ 203,994</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the District may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District minimizes custodial credit risk by limiting investments to the types of securities allowed by law. Investments in U.S. Treasury securities and those other securities completely guaranteed by the Treasury as to payment of principal and interest may be purchased in any dollar amount or up to 100% of the available reserves.

Credit Risk

The District's investments in the Flagstar Bank Investment Pool were unrated.

Interest Rate Risk

The District minimizes interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market, and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements.

Concentration of Credit Risk

The District's investment policy places no restrictions on the amount or percentage that may be invested in any one type of security.

Foreign Currency Risk

The District is not authorized to invest in investments which have this type of risk.

Note C – State School Aid/Property Taxes

On March 15, 1994, the voters of the State of Michigan approved Proposal A, which increased the State Sales and Use Tax rates from 4% to 6% and established a State Education Tax at a rate of 6 mills on all property, except that which is exempt by law from ad valorem property taxes, and dedicated the additional revenues generated to Michigan school districts. The amount of 2004 ad valorem State Education Taxes generated within the Wyoming Public School District, and paid to the State of Michigan, totaled \$5,275,149.

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2005

These additional State revenues pass through to Michigan school districts in the form of a per pupil "Foundation Allowance" paid on a "blended count" of District pupil membership in February, 2004 and September, 2004. The 2004-05 "Foundation Allowance" for Wyoming Public Schools was \$6,700 for 5,684 "Full Time Equivalent" students, generating \$33,522,891 in state aid payments to the District, of which \$6,086,426 was paid to the District in July and August, 2005 and included in "Due From Other Governmental Units" of the General Fund and Food Service Special Revenue Fund of the District.

Property taxes for the District are levied July 1 and December 1 under a split-levy system by the City of Grandville and the City of Wyoming. The taxes are then collected by each governmental unit and remitted to the District. The County of Kent, through its Delinquent Tax Revolving Fund, advances all delinquent real property taxes at March 1 to the District each year prior to June 30. Delinquent personal property taxes receivable are detailed as follows:

Tax Year	General	Debt Service	Total
2004	\$ 167,497	\$ 43,665	\$ 211,162
2003	85,995	22,142	108,137
2002	85,928	23,769	109,697
	<u>\$ 339,420</u>	<u>\$ 89,576</u>	<u>\$ 428,996</u>

Taxes receivable are offset by deferred revenue in the General and Debt Service Funds of the District. Taxes uncollected after three years from the date of levy are written off the books of the District.

Section 1211(1) of 1993 PA 312 states that beginning in 1994, the board of a school district shall levy not more than 18 mills, if approved by voters, for school operating purposes, or the number of mills levied in 1993, whichever is less, on non-homestead property only, in order to be eligible to receive funds under the State School Aid Act of 1979. After 1996, electors may approve a 3 mill "Local Enhancement Millage" which must be shared between all local districts in each respective county intermediate district.

Wyoming Public Schools electors previously approved a ten year operating millage extension in June 1996 for the 18 mill non-homestead property tax.

The District levied 4.7 mills in 2004 for debt service purposes, applied on all taxable property in the District.

Taxable property in the District is assessed initially at 50% of true cash value by the assessing officials of the various units of government that comprise the District. These valuations are then equalized by the county and finally by the State of Michigan, generating the State Equalized Valuation. Taxable valuation increases will be limited, or capped (known as capped valuation), at 5% or the rate of inflation, whichever is less. With the implementation of Proposal A, taxable property is now divided into two categories: homestead and non-homestead.

Homestead property is exempt from the 18 mill "School Operating" tax. It is not exempt from the 6 mill "State Education" tax, any voted "Local Enhancement Millage", nor any additional voted millage for the retirement of debt.

Non-homestead property is considered to be all property not qualifying for a homestead exemption, which includes all commercial and industrial property. Non-homestead property is subject to all District levies.

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2005

Note D – Interfund Receivables/Payables and Transfers

Amounts due from (to) other funds representing interfund receivables and payables, resulting from property taxes due from the General Fund to the Debt Service Funds as of June 2005, are detailed as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund:		
Debt Service Funds:		
1997 Debt Fund	\$ —	\$ 9,489
1999 Debt Fund	—	3,078
2003 Debt Fund		257
Total General Fund	—	12,824
Debt Service Funds:		
1997 Debt Fund:		
General Fund	9,489	—
1999 Debt Fund:		
General Fund	3,078	—
2003 Debt Fund:		
General Fund	257	—
Total Debt Funds	12,824	—
Total All Funds	\$ 12,824	\$ 12,824

Interfund transfers during the year ended June 30, 2005 we as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Special Revenue Funds:		
Food Service Fund	\$ —	\$ 25,730
Athletics Fund	—	800,000
Total General Fund	—	825,730
Special Revenue Funds:		
Food Service Fund:		
General Fund	25,730	—
Athletics Fund:		
General Fund	800,000	—
Total Special Revenue Funds	825,730	—
Total All Funds	\$ 825,730	\$ 825,730

The General Fund transfer to the Athletic fund was made to pay the General Fund's share of support for the athletic program for the fiscal year. The General Fund transfer to the Food Service Fund was made to properly allocate indirect costs between the funds.

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2005

Note E – Capital Assets

Capital asset activity for the year ended June 30, 2005 was as follows:

	<u>Balances July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances June 30, 2005</u>
Capital assets not depreciated:				
Land	\$ 509,246	\$ —	\$ —	\$ 509,246
Capital assets being depreciated:				
Land improvements	1,650,569	—	—	1,650,569
Buildings and additions	73,263,879	—	1,803,301	71,460,578
Furniture and equipment	4,284,503	190,214	206,429	4,268,288
Vehicles	1,850,562	23,958	129,772	1,744,748
	<u>81,558,759</u>	<u>\$ 214,172</u>	<u>\$ 2,139,502</u>	<u>79,633,429</u>
Totals at historical cost				
	<u>81,558,759</u>	<u>\$ 214,172</u>	<u>\$ 2,139,502</u>	<u>79,633,429</u>
Less accumulated depreciation for:				
Land improvements	\$ 1,082,501	\$ 76,687	\$ —	\$ 1,159,188
Buildings and additions	23,812,099	1,178,090	666,777	24,323,412
Furniture and equipment	3,539,428	426,466	151,743	3,814,151
Vehicles	1,554,934	132,314	129,772	1,557,476
	<u>29,988,962</u>	<u>\$1,813,557</u>	<u>\$ 948,292</u>	<u>30,854,227</u>
Total accumulated depreciation				
	<u>29,988,962</u>	<u>\$1,813,557</u>	<u>\$ 948,292</u>	<u>30,854,227</u>
Net Capital Assets	<u>\$ 51,569,797</u>			<u>\$ 48,779,202</u>

Depreciation expense was charged to District activities as follows:

Governmental activities:	
Instruction	\$ 1,300,906
Supporting services	350,639
Community services	2,679
Food service	60,952
Athletics	98,381
	<u>\$ 1,813,557</u>

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2005

Note F – Long-term Debt

Amounts available and to be provided for outstanding long-term debt at June 30, 2005 are summarized as follows:

	Bond Issues	Installment Purchase Agreements	Capital Leases	Early Retirement Incentive/ Accumulated Sick Leave	Total
Amount Available For Retirement Of General Long-Term Debt					
Debt Service Funds	\$ 846,357	\$ —	\$ —	\$ —	\$ 846,357
Amounts To Be Provided For Retirement Of Long-Term Debt					
State of Michigan	1,121,224	—	—	—	1,121,224
General Fund	—	62,000	87,116	2,811,070	2,960,186
Debt Service Funds	43,773,643	—	—	—	43,773,643
Total Amounts Available and To Be Provided	\$ 45,741,224	\$ 62,000	\$ 87,116	\$ 2,811,070	\$ 48,701,410

Changes in long-term debt for the year ended June 30, 2005 are summarized as follows:

	Debt Outstanding July 1, 2004	Debt Added	Debt Retired	Debt Outstanding June 30, 2005
General obligation bonds:				
May 1, 1997	\$ 34,260,000	\$ —	\$ 29,895,000	\$ 4,365,000
May 1, 1999	11,295,000	—	420,000	10,875,000
March 1, 2003	1,330,000	—	50,000	1,280,000
February 14, 2005	—	28,100,000	—	28,100,000
Durant non-plaintiff bonds:				
November 13, 1998	1,121,224	—	—	1,121,224
Installment purchase agreements	93,000	—	31,000	62,000
Capital leases	93,981	109,152	116,017	87,116
Early retirement incentive	1,720,210	544,480	683,510	1,581,180
Accumulated sick leave	1,267,347	335,025	372,482	1,229,890
	\$ 51,180,762	\$29,088,657	\$ 31,568,009	\$ 48,701,410

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2005

Long-term debt outstanding at June 30, 2005 is comprised of the following:

	Final Maturity Dates	Interest Rates	Outstanding Balance	Amount Due Within One Year
General Obligation Bonds				
\$40,825M Building and Site May 1, 1997:				
Annual maturities of 1,385M to 1,525M	May 1, 2008	5.00–5.625	\$ 4,365,000	\$ 1,385,000
\$11,875M Refunding May 1, 1999:				
Annual maturities of 445M to 830M	May 1, 2022	4.15–5.00	10,875,000	445,000
\$1,330M Refunding March 1, 2003:				
Annual maturities of 60M to 95M	May 1, 2022	2.35–4.35	1,280,000	60,000
\$28,100M Refunding February 28, 2005				
Annual maturities of 500M to 1,900M	May 1, 2023	3.00–5.00	28,100,000	500,000
Durant Non-plaintiff Bonds				
\$1,775,019 School Improvement November 13, 1998:				
Annual maturities of 85M to 419M	November 13, 2013	4.761353	1,121,224	84,950
Installment Purchase Agreements				
\$156M Food Service Equipment July 1, 2002	June 15, 2007	4.13	62,000	31,000
Capital Leases				
Copiers, equipment, vehicle	July, 2009	4.95–5.30	87,116	45,616
			<u>\$ 45,890,340</u>	<u>\$ 2,551,566</u>

The annual requirements to pay principal and interest on long-term bonds, installment purchase agreements and capital leases outstanding are as follows:

Year Ended June 30	Principal	Interest	Total
2006	\$ 2,551,566	\$ 2,309,575	\$ 4,861,141
2007	2,134,974	2,051,976	4,186,950
2008	2,159,432	1,943,469	4,102,901
2009	2,267,973	1,831,170	4,099,143
2010	2,669,280	1,887,948	4,557,228
2011	2,442,192	1,655,978	4,098,170
2012	2,542,289	1,554,695	4,096,984
2013	2,652,634	1,444,138	4,096,772
2014	2,595,000	1,314,373	3,909,373
2015	2,625,000	1,186,610	3,811,610
2016	2,665,000	1,057,065	3,722,065
2017	2,705,000	924,735	3,629,735
2018	2,740,000	790,463	3,530,463
2019	2,780,000	654,312	3,434,312
2020	2,815,000	516,213	3,331,213

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2005

Year Ended June 30	Principal	Interest	Total
2021	\$ 2,820,000	\$ 376,048	\$ 3,196,048
2022	2,825,000	235,633	3,060,633
2023	1,900,000	95,000	1,995,000
	<u>\$ 45,890,340</u>	<u>\$ 21,829,399</u>	<u>\$ 67,719,739</u>

On February 28, 2005, the District issued \$28,100,000 in general obligation bonds with an average interest rate of 4.13740% to advance refund \$28,565,000 of outstanding 1997 general obligation bonds with an effective interest rate of 5.14127%, resulting in a net present value savings of \$1,372,531. The net proceeds (\$30,174,259 after the net premium of \$1,879,435, District contribution of \$504,976 and payment of \$310,152 in underwriting fees, insurance and other issuance costs) were deposited with an escrow agent and used to purchase United States government securities. Under the terms of the agreement these securities, together with the interest earned to maturity, will be sufficient to pay principal and interest as it becomes due. This procedure relieves the District from being primarily liable for the debt and the District is virtually assured of not being required to make further payments with respect to the debt. These funds are not commingled with other funds and cannot be redeemed prior to maturity. Any excess funds will be returned to the District upon final payment of principal and interest (Scheduled to be May 1, 2008). This defeasance procedure allows the District to remove the related assets and liabilities from its financial statements, which it has done. The assets, now held by the escrow agent to be used for the remaining principal and interest due of \$32,972,709 on the defeased debt at June 30, 2005 are detailed in the following schedule:

	Cost	Market Value	Par Value
U.S. Government Securities	<u>\$ 29,439,641</u>	<u>\$ 29,439,641</u>	<u>\$ 29,439,641</u>

Note G – Retirement Plan

Substantially all District employees participate in the Michigan Public School Employees' Retirement System (MPERS), a statewide, cost sharing, multiple employer defined benefit public employee retirement system governed by the State of Michigan. The District's payroll for employees covered by MPERS for the year ended June 30, 2005 was \$27,266,119. A Basic Plan member may retire at age 55 with 30 or more years of credited service or at age 60 with 10 or more years of credited service. The annual retirement benefit, payable monthly for life, is equal to 1½ percent of a member's final average compensation multiplied by his/her number of years of credited service. Final average compensation is the employee's average salary over the last 5 years of credited service. Vested employees may retire at or after age 55 with 15 years of service and receive reduced retirement benefits.

School districts in the State of Michigan are required to contribute at a rate, annually determined by the State of Michigan, of covered employees' compensation to the MPERS plan. The contribution rate was 12.99% for the fiscal year ending September 30, 2004 and 14.87% for the fiscal year beginning October 1, 2004. The District's contributions to the plan for the fiscal years ended June 30, 2005, 2004 and 2003 were \$4,006,235, \$3,706,270 and \$3,754,682, respectively.

The "actuarial accrued liability" is a standardized disclosure method of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the MPERS' funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among public employee retirement systems and employers.

WYOMING PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2005

The MPSERS does not make separate measurements of assets and actuarial accrued liability for individual schools. The actuarial accrued liability at September 30, 2003 (the latest reporting date available expressed as \$ in millions) for the MPSERS as a whole, determined through an actuarial valuation performed as of that date, was \$44,769. The MPSERS' net assets available for benefits on that date were \$38,726 leaving an unfunded pension benefit obligation of \$6,043. Ten year historical trend information showing the MPSERS' progress in accumulating sufficient assets to pay benefits when due is presented in the September 30, 2004 Annual Report of the MPSERS, which may be obtained by contacting the System at P.O. Box 30171, Lansing, Michigan 48909-7671.

The total actuarial accrued liability (expressed as \$ in millions) increased by \$2,812 from September 30, 2002 to September 30, 2003. Not included in the pension benefit obligation above is any future obligation attributable to health, dental and vision insurance benefits which are funded on a cash disbursement basis. With the passage of Act 279 of 1996, making permanent the cash basis financing of health, dental and vision benefits, actuarially calculated liabilities for these benefits are no longer disclosed on the balance sheets.

Prior to January 1, 1990, participating employees could elect coverage under either the noncontributory Basic Plan or the contributory Member Investment Plan (MIP). Effective January 1, 1990, all new employees are automatically enrolled in MIP. Participants in MIP, who receive benefits in addition to those available under the Basic Plan, contribute a percentage of salary. The graduated contribution rate is based on total wages and is calculated at 3% of the first \$5,000; 3.6% of the next \$10,000; and 4.3% of all wages over \$15,000. MIP members may retire at any age with 30 years of service, or at age 60 with 5 years of service, with benefits based on a final average compensation period of 5 years for Basic Plan participants and 3 years for Member Investment Plan participants.

Post-employment benefits for health, dental and vision insurance are available at retirement through the MPSERS. Retirees contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent of the monthly premium amount for the health, dental and vision coverage. Required contributions for post-employment health care benefits are included as part of the District's total contribution to the MPSERS as discussed above.

Note H – Risk Management and Benefits

The District is a member of the West Michigan Risk Management Trust, a self-insurance program with districts pooling together to insure property, liability and auto exposure. Premiums from members of the Trust are determined through standard underwriting procedures. The members of the Trust have contributed amounts sufficient to fund individual and aggregate losses up to \$175,000 and \$865,000, respectively, on an annual basis. Excess insurance has been purchased to cover claims exceeding those amounts. A \$1,000 per occurrence deductible for property losses is maintained. The District paid \$212,935 in premiums to the Trust for the year ended June 30, 2005.

The District is also a member of the West Michigan Workers' Compensation Fund, a self-insurance program with districts pooling together to insure workers' compensation and employers' liability exposures. The Fund pays the first \$300,000 of any workers' compensation or employers' liability loss out of a \$1,833,000 loss fund collected from members. Excess insurance has been purchased to cover claims exceeding those amounts. As of June 30, 2005, there were no material pending claims against the District. The District paid \$173,241 in premiums to the Fund for the year ended June 30, 2005.

Health, life and other employee insurance is provided by private insurance carriers. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

SUPPLEMENTAL INFORMATION

GENERAL FUND

To account for resources which are traditionally associated with the general operation of the District and not required to be accounted for in another fund.

WYOMING PUBLIC SCHOOLS
General Fund
Comparative Balance Sheet
June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Assets		
Cash equivalents	\$ 3,216,935	\$ 4,150,891
Receivables:		
Taxes	339,420	251,428
Accounts	40,750	108,461
Due from other governmental units	7,336,288	6,819,899
Inventory	83,305	150,237
Prepaid expenditures	<u>110,135</u>	<u>38,622</u>
Total Assets	<u><u>\$ 11,126,833</u></u>	<u><u>\$ 11,519,538</u></u>
 Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 1,033,739	\$ 1,734,858
Due to other funds	12,824	-
Due to other governmental units	1,479,169	990,004
Payroll withholdings payable	2,784	8,125
Salaries payable	2,857,670	2,994,551
Deferred revenue	<u>521,609</u>	<u>770,087</u>
Total Liabilities	<u>5,907,795</u>	<u>6,497,625</u>
Fund Balances		
Reserved for adult education	-	309,988
Unreserved:		
Undesignated	<u>5,219,038</u>	<u>4,711,925</u>
Total Fund Balances	<u>5,219,038</u>	<u>5,021,913</u>
Total Liabilities and Fund Balance	<u><u>\$ 11,126,833</u></u>	<u><u>\$ 11,519,538</u></u>

WYOMING PUBLIC SCHOOLS
General Fund
Comparative Schedule of Revenues
For the years ended June 30, 2005 and 2004

	2005	2004
Local sources:		
Property taxes:		
Current property taxes	\$ 7,257,363	\$ 7,211,965
Delinquent property taxes	14,144	23,342
Other taxes	11,051	30,091
Interest on delinquent taxes	22,782	25,246
	<u>7,305,340</u>	<u>7,290,644</u>
Interest earnings:		
Interest on deposits and investments	128,888	73,239
Other local revenue:		
High school completion tuition	14,595	22,863
Summer school tuition	41,743	36,527
Driver education fees	-	280
Preschool fees	48,986	41,090
Transportation fees	133,327	121,019
Beverage consortium fees	226,431	124,643
Universal service credit	-	77,885
Rental of school facilities	94,210	84,425
Donations/grants	165,748	189,425
Sale of school property	34,628	96,525
Transportation reimbursements	-	63,404
Indirect cost reimbursements	128,252	162,051
Refunds of prior year expenditures	2,562	43,607
Miscellaneous	16,925	14,526
	<u>907,407</u>	<u>1,078,270</u>
Total local sources	8,341,635	8,442,153
State sources:		
State aid	33,645,661	33,212,182
Driver education	5,044	33,145
Child care	-	78,019
School improvement	4,698	4,590
Other	-	4,830
	<u>33,655,403</u>	<u>33,332,766</u>
Total state sources		
Federal sources:		
Title I	788,478	625,222
Title IIA	233,836	246,908
Title II D	15,795	15,113
Title III	61,628	32,388
Title V	16,907	19,989
I.D.E.A. program	1,137,787	989,549
Refugee children grant	3,934	5,543
Reading first	115,500	160,500
Work first program	-	231,438
Drug free schools	61,950	21,398
Medicaid - school based	17,024	-
Homeland security grant	28,600	-
21st Century grant	489,594	-
EDP grant	-	2,000
	<u>2,971,033</u>	<u>2,350,048</u>
Total federal sources		

(Continued)

WYOMING PUBLIC SCHOOLS
General Fund
Comparative Schedule of Revenues
For the years ended June 30, 2005 and 2004

	2005	2004
Interdistrict sources:		
Special education - county	\$ 2,511,326	\$ 1,697,865
Special education - transportation	649,728	510,035
Special education - tuition	293,309	472,694
Durant settlement reimbursements	-	11,603
Medicaid fee for service	221,234	-
Career preparation	28,000	29,265
Horizons administration fees	41,938	42,846
Total interdistrict sources	<u>3,745,535</u>	<u>2,764,308</u>
Total Revenues	<u><u>\$ 48,713,606</u></u>	<u><u>\$ 46,889,275</u></u>

WYOMING PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2005 and 2004

	2005	2004
Current:		
Instruction:		
Basic programs:		
Elementary:		
Salaries	\$ 6,597,105	\$ 6,737,762
Employee benefits	3,140,866	2,658,093
Purchased services	950	468
Supplies	541,433	334,248
Equipment and furniture	4,100	-
	<u>10,284,454</u>	<u>9,730,571</u>
Middle school:		
Salaries	3,695,678	3,667,315
Employee benefits	1,585,248	1,366,811
Purchased services	1,099	-
Supplies	97,058	91,477
	<u>5,379,083</u>	<u>5,125,603</u>
High school:		
Salaries	4,700,826	4,684,917
Employee benefits	2,093,479	1,803,452
Purchased services	3,660	11,814
Supplies	276,083	141,526
Equipment and furniture	20,125	2,767
Miscellaneous	362	2,443
	<u>7,094,535</u>	<u>6,646,919</u>
Preschool:		
Salaries	236,037	287,674
Employee benefits	102,540	139,700
Supplies	3,558	15,447
Miscellaneous	460	-
	<u>342,595</u>	<u>442,821</u>
Total basic programs	23,100,667	21,945,914
Added needs:		
Special education:		
Salaries	3,372,457	3,331,642
Employee benefits	1,674,593	1,511,321
Purchased services	11,387	28,728
Supplies	30,949	31,121
	<u>5,089,386</u>	<u>4,902,812</u>
Compensatory education:		
Salaries	311,012	471,843
Employee benefits	140,333	169,547
Purchased services	64,148	738
Supplies	90,137	86,761
	<u>605,630</u>	<u>728,889</u>

(Continued)

WYOMING PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2005 and 2004

	2005	2004
Vocational education:		
Salaries	\$ 215,644	\$ 318,543
Employee benefits	107,608	113,248
Supplies	17,265	19,445
Equipment and furniture	35,643	46,837
	<u>376,160</u>	<u>498,073</u>
Total added needs	6,071,176	6,129,774
Adult education services:		
Secondary:		
Salaries	134,491	226,622
Employee benefits	135,079	113,767
Purchased services	1,323	393
Supplies	3,191	6,226
Miscellaneous	402	418
	<u>274,486</u>	<u>347,426</u>
Adult enrichment:		
Salaries	72,528	89,757
Employee benefits	29,835	34,859
Supplies	-	101
	<u>102,363</u>	<u>124,717</u>
Total adult education services	376,849	472,143
Supporting services:		
Pupil services:		
Guidance services:		
Salaries	661,234	748,164
Employee benefits	315,376	259,232
	<u>976,610</u>	<u>1,007,396</u>
Occupational therapist services:		
Salaries	2,080	136,551
Employee benefits	483	49,065
Purchased services	732	629
Supplies	869	1,174
	<u>4,164</u>	<u>187,419</u>
Psychological services:		
Salaries	18,151	282,610
Employee benefits	4,470	107,624
Purchased services	8,339	6,584
Supplies	3,674	3,552
	<u>34,634</u>	<u>400,370</u>
Speech pathology services:		
Salaries	23,356	303,200
Employee benefits	36,707	128,265
Purchased services	609	325
Supplies	2,141	2,004
	<u>62,813</u>	<u>433,794</u>

(Continued)

WYOMING PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2005 and 2004

	2005	2004
Social worker services:		
Salaries	\$ 146,398	\$ 522,354
Employee benefits	89,264	195,439
Purchased services	1,024	996
Supplies	1,323	1,270
Miscellaneous	-	2,273
	<u>238,009</u>	<u>722,332</u>
Other pupil services:		
Salaries	183,461	51,590
Employee benefits	78,866	37,794
Purchased services	31,620	116,378
Supplies	40,402	30,556
Equipment and furniture	4,533	3,787
Miscellaneous	11,068	9,014
	<u>349,950</u>	<u>249,119</u>
Total pupil services	1,666,180	3,000,430
Instructional staff services:		
Improvement of instruction:		
Salaries	191,688	266,733
Employee benefits	183,525	188,436
Purchased services	475,702	347,475
Supplies	73,628	22,571
New equipment and furniture	13,909	19,409
Miscellaneous	4,360	49,236
	<u>942,812</u>	<u>893,860</u>
Library/audio-visual:		
Salaries	404,999	386,061
Employee benefits	210,573	157,308
Purchased services	9,587	8,152
Supplies	119,825	54,730
New equipment and furniture	11,033	12,356
	<u>756,017</u>	<u>618,607</u>
Supervision/direction of instruction:		
Salaries	614,925	769,892
Employee benefits	279,251	314,925
Purchased services	13,617	17,382
Supplies	15,873	13,690
New equipment and furniture	7,086	10,014
	<u>930,752</u>	<u>1,125,903</u>
Professional staff development:		
Purchased services	6,684	5,394
Total instructional staff services	<u>2,636,265</u>	<u>2,643,764</u>
General administrative services:		
Board of education:		
Salaries	6,300	7,000
Purchased services	41,395	81,682
	<u>47,695</u>	<u>88,682</u>

(Continued)

WYOMING PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2005 and 2004

	2005	2004
Executive administration:		
Salaries	\$ 464,954	\$ 387,964
Employee benefits	149,708	146,944
Purchased services	134,241	132,479
Supplies	10,353	5,960
New equipment and furniture	21,546	5,910
Miscellaneous	24,310	31,749
	<u>805,112</u>	<u>711,006</u>
Total general administrative services	852,807	799,688
School administrative services:		
Office of the principal:		
Salaries	1,834,711	1,944,100
Employee benefits	763,461	806,087
Purchased services	18,929	20,603
Supplies	6,335	7,004
New equipment and furniture	-	6,420
Miscellaneous	2,324	2,957
	<u>2,625,760</u>	<u>2,787,171</u>
Total school administrative services		
Business services:		
Fiscal services:		
Salaries	494,942	542,245
Employee benefits	247,574	198,522
Purchased services	10,790	9,763
	<u>753,306</u>	<u>750,530</u>
Other business services:		
Miscellaneous	70,922	42,743
	<u>70,922</u>	<u>42,743</u>
Total business services	824,228	793,273
Operation and maintenance services:		
Operation and maintenance:		
Salaries	1,314,922	1,315,988
Employee benefits	770,196	710,980
Purchased services	777,657	784,680
Supplies	929,096	920,734
Equipment and furniture	21,251	10,738
	<u>3,813,122</u>	<u>3,743,120</u>
Security services:		
Purchased services	28,768	-
	<u>28,768</u>	<u>-</u>
Total operation and maintenance services	3,841,890	3,743,120
Pupil transportation services:		
Pupil transportation:		
Salaries	610,114	560,202
Employee benefits	367,938	347,219
Purchased services	109,451	107,873
Supplies	193,220	134,045
Miscellaneous	13,925	8,447
	<u>1,294,648</u>	<u>1,157,786</u>
Total pupil transportation services		

(Continued)

WYOMING PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Central services:		
Communication services:		
Purchased services	\$ 597	\$ -
Data processing services:		
Salaries	248,003	233,850
Employee benefits	113,388	96,468
Purchased services	119,521	93,405
Supplies	57,719	46,579
New equipment and furniture	171,287	174,646
	<u>709,918</u>	<u>644,948</u>
Staff/personnel services:		
Purchased services	104,340	81,856
New equipment and furniture	-	12,895
	<u>104,340</u>	<u>94,751</u>
Total central services	814,855	739,699
Other supporting services:		
Other support services:		
Employee benefits	-	128,831
Community services:		
Community activities:		
Purchased services	20,985	1,000
Supplies	2,882	2,563
Miscellaneous	9,780	-
Total community services	<u>33,647</u>	<u>3,563</u>
Capital outlay:		
Buildings and additions	27,888	-
Interdistrict:		
Special education tuition	724,049	739,379
Special education transportation	875,964	715,472
Special education itinerants	1,656,235	-
Special education services	29,344	30,565
Other	-	50,000
Durant reimbursements	40,522	39,737
Total interdistrict	<u>3,326,114</u>	<u>1,575,153</u>
Subgrantee reimbursements	<u>197,777</u>	<u>-</u>
Total Expenditures	<u><u>\$ 47,690,751</u></u>	<u><u>\$ 45,920,309</u></u>

NONMAJOR FUNDS

WYOMING PUBLIC SCHOOLS
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2005

	Special Revenue		
	Food Service	Athletics	Enrichment
Assets			
Cash equivalents	\$ 199,769	\$ 87,024	\$ 31,145
Deposits	-	-	-
Investments	-	-	-
Taxes receivable	-	-	-
Land contract receivable	-	-	-
Accrued interest receivable	-	-	-
Due from other funds	-	-	-
Due from other governmental units	28,317	-	-
Inventory	15,518	-	-
Total Assets	\$ 243,604	\$ 87,024	\$ 31,145
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 23,166	\$ 7,432	\$ -
Due to other governmental units	998	1,789	-
Salaries payable	5,223	7,945	-
Deferred revenue	-	-	-
Total Liabilities	29,387	17,166	-
Fund Balances			
Reserved for debt service	-	-	-
Reserved for capital outlay	-	-	-
Unreserved:			
Undesignated	214,217	69,858	31,145
Total Fund Balances	214,217	69,858	31,145
Total Liabilities and Fund Balances	\$ 243,604	\$ 87,024	\$ 31,145

Debt Service			Capital Projects	Total
1997	1999	2003	Building and Site	
\$ 16,136	\$ 6,891	\$ 2,100	\$ 117,083	\$ 460,148
385,000	215,000	-	-	600,000
129,078	54,013	20,903	-	203,994
71,562	16,708	1,306	-	89,576
			850,000	850,000
2,818	1,574	-	-	4,392
9,489	3,078	257	-	12,824
-	-	-	-	28,317
-	-	-	-	15,518
<u>\$ 614,083</u>	<u>\$ 297,264</u>	<u>\$ 24,566</u>	<u>\$ 967,083</u>	<u>\$ 2,264,769</u>
\$ -	\$ -	\$ -	\$ -	\$ 30,598
-	-	-	-	2,787
-	-	-	-	13,168
71,562	16,708	1,306	850,000	939,576
<u>71,562</u>	<u>16,708</u>	<u>1,306</u>	<u>850,000</u>	<u>986,129</u>
542,521	280,556	23,260	-	846,337
-	-	-	117,083	117,083
-	-	-	-	315,220
<u>542,521</u>	<u>280,556</u>	<u>23,260</u>	<u>117,083</u>	<u>1,278,640</u>
<u>\$ 614,083</u>	<u>\$ 297,264</u>	<u>\$ 24,566</u>	<u>\$ 967,083</u>	<u>\$ 2,264,769</u>

WYOMING PUBLIC SCHOOLS
Combining Schedule of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds
For the year ended June 30, 2005

	Special Revenue		
	Food Service	Athletics	Enrichment
Revenues			
Local sources:			
Property taxes	\$ -	\$ -	\$ -
Interest earnings	-	-	-
Sales and admissions	760,571	177,318	-
Other local sources	10,730	-	29,164
Total local sources	771,301	177,318	29,164
State sources	103,540	-	-
Federal sources	1,089,012	-	-
Total Revenues	1,963,853	177,318	29,164
Expenditures			
Current:			
Community services	-	-	26,734
Food service	1,923,129	-	-
Athletics	-	1,009,816	-
Debt service:			
Principal repayment	31,000	-	-
Interest and fiscal charges	3,842	-	-
Bond issuance costs	-	-	-
Underwriter's discount	-	-	-
Total Expenditures	1,957,971	1,009,816	26,734
Excess (Deficiency) of Revenues Over Expenditures	5,882	(832,498)	2,430
Other Financing Sources (Uses)			
Refunding bonds issued	-	-	-
Bond premium	-	-	-
Other	-	-	-
Transfers in	25,730	800,000	-
Payments to escrow agent	-	-	-
Total Other Financing Sources (Uses)	25,730	800,000	-
Net Change In Fund Balances	31,612	(32,498)	2,430
Fund Balances, July 1	182,605	102,356	28,715
Fund Balances, June 30	\$ 214,217	\$ 69,858	\$ 31,145

Debt Service			Capital Projects	Total
1997	1999	2003	Building and Site	
\$ 3,134,894	\$ 1,016,724	\$ 84,729	\$ -	\$ 4,236,347
39,782	14,627	1,076	83	55,568
-	-	-	-	937,889
-	-	-	117,000	156,894
3,174,676	1,031,351	85,805	117,083	5,386,698
-	-	-	-	103,540
-	-	-	-	1,089,012
3,174,676	1,031,351	85,805	117,083	6,579,250
-	-	-	-	26,734
-	-	-	-	1,923,129
-	-	-	-	1,009,816
1,330,000	420,000	50,000	-	1,831,000
1,061,277	541,152	47,153	-	1,653,424
176,677	-	-	-	176,677
133,475	-	-	-	133,475
2,701,429	961,152	97,153	-	6,754,255
473,247	70,199	(11,348)	117,083	(175,005)
28,100,000	-	-	-	28,100,000
1,879,435	-	-	-	1,879,435
-	-	4,507	-	4,507
-	-	-	-	825,730
(30,168,653)	-	-	-	(30,168,653)
(189,218)	-	4,507	-	641,019
284,029	70,199	(6,841)	117,083	466,014
258,492	210,357	30,101	-	812,626
\$ 542,521	\$ 280,556	\$ 23,260	\$ 117,083	\$ 1,278,640

WYOMING PUBLIC SCHOOLS
Food Service Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2005

	2005			2004
	Budget	Actual	Variance - Positive (Negative)	Actual
Revenues				
Local sources:				
Sales and admissions	\$ 748,119	\$ 760,571	\$ 12,452	\$ 780,522
Other local sources	12,432	10,730	(1,702)	8,994
State sources	100,765	103,540	2,775	97,001
Federal sources	1,071,074	1,089,012	17,938	932,803
Total Revenues	<u>1,932,390</u>	<u>1,963,853</u>	<u>31,463</u>	<u>1,819,320</u>
Expenditures				
Current:				
Food service	1,957,840	1,923,129	34,711	1,869,962
Debt service:				
Principal repayment	-	31,000	(31,000)	31,000
Interest and fiscal charges	-	3,842	(3,842)	5,123
Total Expenditures	<u>1,957,840</u>	<u>1,957,971</u>	<u>(131)</u>	<u>1,906,085</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(25,450)</u>	<u>5,882</u>	<u>31,332</u>	<u>(86,765)</u>
Other Financing Sources				
Transfers in	<u>25,730</u>	<u>25,730</u>	<u>-</u>	<u>98,899</u>
Net Change In Fund Balances	<u>280</u>	<u>31,612</u>	<u>31,332</u>	<u>12,134</u>
Fund Balances, July 1	<u>182,605</u>	<u>182,605</u>	<u>-</u>	<u>170,471</u>
Fund Balances, June 30	<u>\$ 182,885</u>	<u>\$ 214,217</u>	<u>\$ 31,332</u>	<u>\$ 182,605</u>

WYOMING PUBLIC SCHOOLS
Athletics Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2005

	2005			2004
	Budget	Actual	Variance - Positive (Negative)	Actual
Revenues				
Local sources:				
Sales and admissions	\$ 170,139	\$ 177,318	\$ 7,179	\$ 177,031
Expenditures				
Current:				
Athletics	1,028,714	1,009,816	18,898	934,012
Excess (Deficiency) of Revenues Over Expenditures	(858,575)	(832,498)	26,077	(756,981)
Other Financing Sources				
Transfers in	800,000	800,000	-	785,000
Net Change In Fund Balances	(58,575)	(32,498)	26,077	28,019
Fund Balances, July 1	102,356	102,356	-	74,337
Fund Balances, June 30	<u>\$ 43,781</u>	<u>\$ 69,858</u>	<u>\$ 26,077</u>	<u>\$ 102,356</u>

WYOMING PUBLIC SCHOOLS
Enrichment Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2005

	2005			2004
	Budget	Actual	Variance - Positive (Negative)	Actual
Revenues				
Local sources:				
Other local sources	\$ 28,200	\$ 29,164	\$ 964	\$ 28,146
Expenditures				
Current:				
Community services	26,625	26,734	(109)	25,541
Net Change In Fund Balances	1,575	2,430	855	2,605
Fund Balances, July 1	28,715	28,715	-	26,110
Fund Balances, June 30	<u>\$ 30,290</u>	<u>\$ 31,145</u>	<u>\$ 855</u>	<u>\$ 28,715</u>

SPECIAL REVENUE FUNDS

Food Service—to account for monies received from food service activities and federal subsidies for use in administering the hot lunch program of the District.

Athletics—to account for activity receipts and General Fund contributions used in administering the athletic program of the District.

Enrichment—to account for monies received for leisure time activities.

WYOMING PUBLIC SCHOOLS
Food Service Special Revenue Fund
Comparative Balance Sheet
June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Assets		
Cash equivalents	\$ 199,769	\$ 161,277
Accounts receivable	-	1,574
Due from other governmental units	28,317	18,571
Inventory	<u>15,518</u>	<u>18,978</u>
Total Assets	<u><u>\$ 243,604</u></u>	<u><u>\$ 200,400</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 23,166	\$ 9,327
Due to other governmental units	998	1,320
Salaries payable	<u>5,223</u>	<u>7,148</u>
Total Liabilities	<u>29,387</u>	<u>17,795</u>
Fund Balances		
Unreserved:		
Undesignated	<u>214,217</u>	<u>182,605</u>
Total Liabilities and Fund Balance	<u><u>\$ 243,604</u></u>	<u><u>\$ 200,400</u></u>

WYOMING PUBLIC SCHOOLS
Food Service Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2005 and 2004

	2005	2004
Revenues		
Local sources:		
Sales and admissions:		
Children's breakfasts	\$ 21,163	\$ 21,163
Children's lunches	367,669	380,931
Ala carte	318,383	333,956
Banquets	53,356	44,472
	<u>760,571</u>	<u>780,522</u>
Other local sources:		
Sale of assets	800	1,500
Miscellaneous	9,930	7,494
	<u>10,730</u>	<u>8,994</u>
Total local sources	771,301	789,516
State sources	103,540	97,001
Federal sources	1,089,012	932,803
	<u>1,963,853</u>	<u>1,819,320</u>
Total Revenues		
Expenditures		
Current:		
Food service:		
Salaries:		
Supervisor	-	28,789
Food service	453,761	433,337
Clerical	14,277	14,511
Sick pay	2,688	5,990
Employee benefits:		
Employee insurance	58,855	77,075
Early retirement incentive	-	5,000
Retirement	69,115	61,811
Social Security	36,574	37,883
Workers' compensation insurance	9,440	9,848
Cash in lieu of benefits	7,350	7,572
Contracted services	3,630	2,381
Management services	188,096	148,320
Local travel	613	1,016
Vehicle insurance	604	550
Equipment repair and maintenance	28,352	35,352
Vehicle repair and maintenance	751	60
Other purchased services	4,498	-
Food	567,063	450,952
Ala carte	108,111	116,047
Milk	93,049	89,306
Non edible	8,970	-
Gasoline, oil and grease	1,409	1,398
Uniforms	4,965	4,839
Office supplies	5,907	6,323
Other supplies and materials	53,808	64,878
New equipment and furniture	47,097	94,592

(Continued)

WYOMING PUBLIC SCHOOLS
Food Service Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2005 and 2004

	2005	2004
Food service: (Continued)		
Replacement equipment and furniture	\$ 8,290	\$ -
Indirect cost reimbursement	110,000	143,979
Banquets	35,856	28,153
	<u>1,923,129</u>	<u>1,869,962</u>
Debt service:		
Principal repayment	31,000	31,000
Interest and fiscal charges	3,842	5,123
	<u>34,842</u>	<u>36,123</u>
Total Expenditures	<u>1,957,971</u>	<u>1,906,085</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,882</u>	<u>(86,765)</u>
Other Financing Sources		
Transfers in	<u>25,730</u>	<u>98,899</u>
Net Change In Fund Balances	31,612	12,134
Fund Balances, July 1	<u>182,605</u>	<u>170,471</u>
Fund Balances, June 30	<u><u>\$ 214,217</u></u>	<u><u>\$ 182,605</u></u>

WYOMING PUBLIC SCHOOLS
Athletics Special Revenue Fund
Comparative Balance Sheet
June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Assets		
Cash equivalents	<u>\$ 87,024</u>	<u>\$ 129,014</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 7,432	\$ 75
Due to other governmental units	1,789	4,548
Salaries payable	<u>7,945</u>	<u>22,035</u>
Total Liabilities	<u>17,166</u>	<u>26,658</u>
Fund Balances		
Unreserved:		
Undesignated	<u>69,858</u>	<u>102,356</u>
Total Liabilities and Fund Balance	<u>\$ 87,024</u>	<u>\$ 129,014</u>

WYOMING PUBLIC SCHOOLS
Athletics Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Revenues		
Local sources:		
Sales and admissions:		
Participation fees	\$ 110,286	\$ 118,334
Gate receipts	54,368	52,007
Donations	12,664	6,690
	<u>177,318</u>	<u>177,031</u>
Expenditures		
Current:		
Athletics:		
Salaries:		
Directors	121,004	135,789
Coaches	395,576	383,315
Clerical	48,266	34,475
Severance pay	2,368	16,274
Employee benefits:		
Employee insurance	42,503	29,745
Early retirement incentive	3,000	1,927
Retirement	82,046	70,717
Social Security	43,799	42,661
Workers' compensation insurance	1,920	1,346
Local travel	1,858	1,780
Field trips	56,012	51,088
Land and building rental	6,070	-
Other purchased services	101,800	94,224
Uniforms	26,476	-
New equipment and furniture	50,619	35,205
Replacement equipment and furniture	-	5,965
Dues and fees	2,864	2,900
Miscellaneous	23,635	26,601
	<u>1,009,816</u>	<u>934,012</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(832,498)</u>	<u>(756,981)</u>
Other Financing Sources		
Transfers in	<u>800,000</u>	<u>785,000</u>
Net Change In Fund Balances	(32,498)	28,019
Fund Balances, July 1	<u>102,356</u>	<u>74,337</u>
Fund Balances, June 30	<u><u>\$ 69,858</u></u>	<u><u>\$ 102,356</u></u>

WYOMING PUBLIC SCHOOLS
Enrichment Special Revenue Fund
Comparative Balance Sheet
June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Assets		
Cash equivalents	<u>\$ 31,145</u>	<u>\$ 28,715</u>
Liabilities and Fund Balances		
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Fund Balances		
Unreserved:		
Undesignated	<u>31,145</u>	<u>28,715</u>
Total Liabilities and Fund Balance	<u>\$ 31,145</u>	<u>\$ 28,715</u>

WYOMING PUBLIC SCHOOLS
Enrichment Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Revenues		
Local sources:		
Other local sources:		
Enrichment fees	\$ 29,164	\$ 28,146
Expenditures		
Current:		
Community services:		
Salaries:		
Program coordinator	5,000	5,000
Teachers	3,358	3,342
Employee benefits:		
Retirement	1,243	1,137
Social Security	639	681
Workers' compensation insurance	32	9
Contracted services	15,387	14,936
Teaching supplies	1,075	436
Total Expenditures	<u>26,734</u>	<u>25,541</u>
Net Change In Fund Balances	2,430	2,605
Fund Balances, July 1	<u>28,715</u>	<u>26,110</u>
Fund Balances, June 30	<u><u>\$ 31,145</u></u>	<u><u>\$ 28,715</u></u>

DEBT SERVICE FUNDS

Debt Service Funds—To accumulate property tax revenues and interest earnings for repayment of the bond issues of the District used to finance new building construction projects.

WYOMING PUBLIC SCHOOLS
Debt Service Funds
Combining Balance Sheet
June 30, 2005

	<u>1997</u>	<u>1999</u>	<u>2003</u>
Assets			
Cash equivalents	\$ 16,136	\$ 6,891	\$ 2,100
Deposits	385,000	215,000	-
Investments	129,078	54,013	20,903
Taxes receivable	71,562	16,708	1,306
Accrued interest receivable	2,818	1,574	-
Due from other funds	<u>9,489</u>	<u>3,078</u>	<u>257</u>
Total Assets	<u><u>\$ 614,083</u></u>	<u><u>\$ 297,264</u></u>	<u><u>\$ 24,566</u></u>
 Liabilities and Fund Balances			
Liabilities			
Deferred revenue	<u>\$ 71,562</u>	<u>\$ 16,708</u>	<u>\$ 1,306</u>
Fund Balances			
Reserved for debt service	<u>542,521</u>	<u>280,556</u>	<u>23,260</u>
Total Liabilities and Fund Balances	<u><u>\$ 614,083</u></u>	<u><u>\$ 297,264</u></u>	<u><u>\$ 24,566</u></u>

Totals	
2005	2004
\$ 25,127	\$ 17,315
600,000	-
203,994	481,635
89,576	66,789
4,392	-
12,824	-
<u>\$ 935,913</u>	<u>\$ 565,739</u>
<u>\$ 89,576</u>	<u>\$ 66,789</u>
<u>846,337</u>	<u>498,950</u>
<u>\$ 935,913</u>	<u>\$ 565,739</u>

WYOMING PUBLIC SCHOOLS
Debt Service Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2005

	1997	1999	2003
Revenues			
Local sources:			
Property taxes:			
Current property taxes	\$ 3,023,255	\$ 980,515	\$ 81,710
Industrial facilities taxes	95,108	30,846	2,571
Delinquent property taxes	2,733	887	75
Other taxes	2,333	-	63
In lieu of taxes	1,464	1,232	40
Interest on delinquent taxes	10,001	3,244	270
	<u>3,134,894</u>	<u>1,016,724</u>	<u>84,729</u>
Interest earnings:			
Interest on deposits and investments	<u>39,782</u>	<u>14,627</u>	<u>1,076</u>
Total Revenues	<u>3,174,676</u>	<u>1,031,351</u>	<u>85,805</u>
Expenditures			
Current:			
Debt service:			
Principal repayment	1,330,000	420,000	50,000
Interest and fiscal charges:			
Interest expense	1,049,749	537,510	46,600
Paying agent fees	670	3,642	260
Tax refunds	10,858	-	293
Bond issuance costs	176,677	-	-
Underwriter's discount	<u>133,475</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>2,701,429</u>	<u>961,152</u>	<u>97,153</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>473,247</u>	<u>70,199</u>	<u>(11,348)</u>
Other Financing Sources (Uses)			
Refunding bonds issued	28,100,000	-	-
Bond premium	1,879,435	-	-
Other	-	-	4,507
Transfers in	-	-	-
Payments to escrow agent	(30,168,653)	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(189,218)</u>	<u>-</u>	<u>4,507</u>
Net Change in Fund Balances	284,029	70,199	(6,841)
Fund Balances, July 1	<u>258,492</u>	<u>210,357</u>	<u>30,101</u>
Fund Balances, June 30	<u><u>\$ 542,521</u></u>	<u><u>\$ 280,556</u></u>	<u><u>\$ 23,260</u></u>

Totals	
2005	2004
\$ 4,085,480	\$ 3,977,826
128,525	131,653
3,695	5,564
2,396	4,721
2,736	2,199
13,515	12,000
4,236,347	4,133,963
55,485	31,448
4,291,832	4,165,411
1,800,000	1,670,000
1,633,859	2,461,895
4,572	2,115
11,151	1,325
176,677	-
133,475	-
3,759,734	4,135,335
532,098	30,076
28,100,000	-
1,879,435	-
4,507	-
-	135,637
(30,168,653)	-
-	(135,637)
(184,711)	-
347,387	30,076
498,950	468,874
\$ 846,337	\$ 498,950

CAPITAL PROJECTS FUND

Building and Site—to account for the proceeds from the sale of District property and interest earnings to be used for future capital improvements projects.

WYOMING PUBLIC SCHOOLS
Building & Site Capital Projects Fund
Comparative Balance Sheet
June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Assets		
Cash equivalents	\$ 117,083	\$ -
Land contract receivable	<u>850,000</u>	<u>-</u>
Total Assets	<u><u>\$ 967,083</u></u>	<u><u>\$ -</u></u>
 Liabilities and Fund Balances		
Liabilities		
Deferred revenue	<u>\$ 850,000</u>	<u>\$ -</u>
Fund Balances		
Reserved for capital outlay	<u>117,083</u>	<u>-</u>
Total Liabilities and Fund Balances	<u><u>\$ 967,083</u></u>	<u><u>\$ -</u></u>

WYOMING PUBLIC SCHOOLS
Building & Site Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Revenues		
Local sources:		
Interest and rentals:		
Interest earned on deposits	\$ 83	\$ -
Other local sources:		
Sale of school property	<u>117,000</u>	<u>-</u>
Total Revenues	<u>117,083</u>	<u>-</u>
Expenditures	<u>-</u>	<u>-</u>
Net Change In Fund Balances	117,083	-
Fund Balances, July 1	<u>-</u>	<u>-</u>
Fund Balances, June 30	<u><u>\$ 117,083</u></u>	<u><u>\$ -</u></u>

AGENCY FUND

Student Activities—to account for the collection and disbursements of monies used by the student clubs and groups of the District.

WYOMING PUBLIC SCHOOLS
Student Activities Agency Fund
Statement of Changes in Assets and Liabilities
For the year ended June 30, 2005

	<u>Balances July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances June 30, 2005</u>
Assets				
Cash equivalents	\$ -	\$ 1,163,380	\$ 782,069	\$ 381,311
Investments	<u>399,965</u>	<u>-</u>	<u>399,965</u>	<u>-</u>
Total Assets	<u><u>\$ 399,965</u></u>	<u><u>\$ 1,163,380</u></u>	<u><u>\$ 1,182,034</u></u>	<u><u>\$ 381,311</u></u>
Liabilities				
Accounts payable	\$ 22,642	\$ -	\$ 22,642	\$ -
Due to student groups	<u>377,323</u>	<u>763,415</u>	<u>759,427</u>	<u>381,311</u>
Total Liabilities	<u><u>\$ 399,965</u></u>	<u><u>\$ 763,415</u></u>	<u><u>\$ 782,069</u></u>	<u><u>\$ 381,311</u></u>

OTHER INFORMATION

WYOMING PUBLIC SCHOOLS
Summary of 2004 Taxes Levied and Collected
For the year ended June 30, 2005

	Kent County		
	City of		
	Grandville	Wyoming	Total
Taxable Valuations			
Operating	\$ 3,030,220	\$ 410,096,411	\$ 413,126,631
Debt Service	3,276,934	875,914,595	879,191,529
Rates (Mills)			
General Fund			18.0000
1997 Debt Service Fund			3.4780
1999 Debt Service Fund			1.1280
2003 Debt Service Fund			0.0940
			<u>22.7000</u>
Taxes Levied 2004 Rolls			
General Fund	\$ 54,544	\$ 7,370,325	\$ 7,424,869
1997 Debt Service Fund	11,397	3,044,170	3,055,567
1999 Debt Service Fund	3,696	987,299	990,995
2003 Debt Service Fund	308	82,275	82,583
	<u>69,945</u>	<u>11,484,069</u>	<u>11,554,014</u>
Taxes Uncollected 2004 Rolls			
General Fund	-	167,497	167,497
1997 Debt Service Fund	-	32,312	32,312
1999 Debt Service Fund	-	10,480	10,480
2003 Debt Service Fund	-	873	873
	<u>-</u>	<u>211,162</u>	<u>211,162</u>
Taxes Collected 2004 Rolls			
General Fund	54,544	7,202,828	7,257,372
1997 Debt Service Fund	11,397	3,011,858	3,023,255
1999 Debt Service Fund	3,696	976,819	980,515
2003 Debt Service Fund	308	81,402	81,710
	<u>69,945</u>	<u>11,272,907</u>	<u>11,342,852</u>
Delinquent Taxes Collected			
General Fund	-	23,342	23,342
1997 Debt Service Fund	-	-	-
1999 Debt Service Fund	-	-	-
2003 Debt Service Fund	-	5,564	5,564
	<u>-</u>	<u>28,906</u>	<u>28,906</u>
Total Taxes Collected			
General Fund	54,544	7,226,170	7,280,714
1997 Debt Service Fund	11,397	3,017,422	3,028,819
1999 Debt Service Fund	3,696	976,819	980,515
2003 Debt Service Fund	308	81,402	81,710
	<u>\$ 69,945</u>	<u>\$ 11,301,813</u>	<u>\$ 11,371,758</u>

(Continued)

WYOMING PUBLIC SCHOOLS
Summary of 2004 Taxes Levied and Collected
For the year ended June 30, 2005

Taxes Uncollected – June 30, 2005	Kent County		Total
	City of		
	Grandville	Wyoming	
General Fund:			
2004	\$ -	\$ 167,497	\$ 167,497
2003	1,260	84,735	85,995
2002	894	85,034	85,928
	<u>2,154</u>	<u>337,266</u>	<u>339,420</u>
1997 Debt Service Fund:			
2004	-	32,312	32,312
2003	230	15,251	15,481
2002	233	23,536	23,769
	<u>463</u>	<u>71,099</u>	<u>71,562</u>
1999 Debt Service Fund:			
2004	-	10,480	10,480
2003	92	6,136	6,228
	<u>92</u>	<u>16,616</u>	<u>16,708</u>
2004 Debt Service Fund:			
2004	-	873	873
2003	7	426	433
	<u>7</u>	<u>1,299</u>	<u>1,306</u>
Total Taxes Uncollected	<u>\$ 2,716</u>	<u>\$ 426,280</u>	<u>\$ 428,996</u>

Hungerford, Aldrin,
Nichols & Carter, P.C.

C P A s A N D C O N S U L T A N T S

August 19, 2005

The Board of Education
Wyoming Public Schools
Wyoming, Michigan

The following comments pertain to our audit of the financial records of Wyoming Public Schools as of and for the year ended June 30, 2005. The comments are made in accordance with Statement on Auditing Standards No. 61 "Communication With Audit Committees" which requires that in certain audits, certain matters are to be communicated to those who have responsibility for oversight of the financial reporting process. The communications required by this statement, if pertinent to the examination, are as follows:

1. Auditor's Responsibility Under Generally Accepted Auditing Standards.
2. Significant Accounting Policies.
3. Management Judgments and Accounting Estimates.
4. Significant Audit Adjustments.
5. Other Information in Documents Containing Audited Financial Statements.
6. Disagreements With Management.
7. Consultation With Other Accountants.
8. Major Issues Discussed With Management Prior to Retention.
9. Difficulties Encountered in Performing the Audit.
10. Uncorrected Misstatements (Passed Audit Adjustments).

The communications specified by this Statement are incidental to the audit and are not required to occur before, nor do they affect, our auditor's report on the District's financial statements.

The following are the matters to be communicated by SAS No. 61 based on our observations during the course of our audit of the financial statements and our review and evaluation of the internal control system of Wyoming Public Schools:

Auditors Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered Wyoming Public School's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether Wyoming Public School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Wyoming Public School's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on Wyoming Public School's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Wyoming Public School's compliance with those requirements.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Wyoming Public Schools are described in Note A to the financial statements.

Difficulties Encountered In Performing the Audit

We encountered no significant difficulties in performing the audit of the financial statements of Wyoming Public Schools for the year ended June 30, 2005. We found the internal control structure and accounting system to be basically adequate and operating in the manner intended.

Audit Adjustments

During the course of our audit the following adjustments of a significant nature were made to the accounting records of the District to bring the balances to those presented in the financial statements:

General Fund

1. \$153,353 and \$65,361 to record and write off current and prior year (2001) delinquent personal property taxes receivable at June 30, 2005.
2. \$177,684 and \$309,988 to record and reverse current and prior year deferred revenue for adult education state aid per new Michigan Department of Education requirements...

Proposed Audit Adjustments

There were no material proposed audit adjustments not recorded by Wyoming Public Schools.

Suggestions and Recommendations

We offered suggestions and recommendations regarding the day-to-day operations of the accounting system of Wyoming Public Schools to the Business Manager and Supervisor of Business Services as the topics arose during the course of our audit fieldwork. Hopefully, these suggestions will ease the day-to-day operations of the business office and assist in more efficient monthly and year-end financial record keeping and reporting.

Other Comments

The General Fund Balance of the District increased by \$197,125 to \$5,219,038 at June 30, 2005. This balance represents approximately 10.3 percent of the District's 2005-06 expenditure budget. Maintaining a fund balance of at least 15 to 20 percent of the ensuing year's expenditure budget is advisable for Wyoming Public Schools, as that percentage seems to be a dividing line between Districts that are required to borrow for cash-flow purposes (and incur interest expenses and loan processing fees) and those Districts that are not required to borrow. This level of fund balance also gives the District more stable operating funds during the year and acts as a buffer against the uncertainty of state aid revenues accruing to the District. In addition, employee benefit costs are expected to increase significantly in the next few years, which will require the use of fund balance reserves considering the expectation of small (or no) growth in state aid revenues.

Other Comments (Continued)

Our audit this year was again completed under the requirements of Statement on Auditing Standards No. 99 "Consideration of Fraud in a Financial Statement Audit" (SAS No. 99), which requires both auditors and their clients to more directly and openly assess those areas within a school district that might be susceptible to fraudulent activity, which would normally include those areas outside the central office that handle cash, inventory, supplies, etc. This is an important audit standard that requires increased face-to-face discussions/interviews with client personnel and extensive documentation of our findings for future reference. We found that Wyoming Public Schools has a very extensive network of internal controls within its accounting and record keeping system, and found those tested this year to be operating in the manner intended. Working with Wyoming Public Schools business office personnel, we will be testing other control areas each year as a part of our audit, with suggestions and recommendations to follow the testing each year, to assist the District in maintaining and improving its systems.

This communication is intended solely for the information and use of the Wyoming Public Schools Board of Education, administration and others within the organization. We have furnished a copy of this letter to the Michigan Department of Education as an enclosure with the audit report as required by the State of Michigan.

We appreciate the opportunity to provide financial auditing and advisory services to Wyoming Public Schools and hope to continue to do so in the future. We also appreciate the dedication and cooperation of the District's administration and accounting personnel in performing their functions and in assisting us in completing ours. If there are any questions regarding the audit report, or the attached communications, we will be happy to address them.

Hungerford, Aldrin, Nichols & Barten, P.C.

Certified Public Accountants